Town of Choice

Westonaria Local Municipality

Mining

Financial Statements for the year ended 30 June 2008

Agriculture

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WESTONARIA LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2008

The preparation of these financial statements, which are set out on pages 1 to 29, is the responsibility of the Municipal Manager in terms of Section 126(1) of the Municipal Finance Management Act and the statements are signed on behalf of the municipality

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 20 of these financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, reas with the Remuneration of Public Officers Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager **Date**

Westonaria Local Municipality
STATEMENT OF FINANCIAL POSITION AT 30 June 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		185 091 058	176 946 215
Housing development fund		0	0
Transport fund		0	0
Asset Financing Reserve		984 903	984 903
Government grant reserve		126 777 528	105 075 652
Public donation reserve		0	0
Capitalisation reserve		0	0
Revaluation reserve		0	0
Accumulated surplus/(deficit)		57 328 627	70 885 660
Non-current liabilities		39 693 457	43 649 831
Long-term liabilities	1	39 693 457	43 649 831
Non-current provisions		0	0
Current liabilities		46 500 171	34 665 589
Consumer deposits	2	2 692 194	2 468 284
Accruals	3	5 777 539	3 529 308
Creditors	4	12 429 453	17 530 088
Unspent conditional grants & receipts	5	6 575 438	2 451 407
VAT	6	265 384	4 057 778
Short-term loans		0	0
Bank Overdraft	14	5 859 044	0
Current portion of long-term liabilities	1	12 901 119	4 628 724
Total net Assets and Liabilities		**271 284 687**	**255 261 635**
ASSETS			
Non-current assets		228 210 394	206 768 573
Property, plant and equipment	7	223 454 507	195 528 248
Investment property		0	0
Investments	8	1 900 535	7 194 863
Long-term receivables	9	2 855 352	4 045 462
Current assets		43 074 293	48 493 062
Inventory	10	1 544 324	1 407 654
Consumer debtors	11	26 779 226	20 179 435
Other debtors	12	1 554 285	10 447 889
Current portion of long-term debtors	9	5 290 419	10 442 291
Short term investments	13	7 895 339	697 738
Bank and Cash	14	10 700	5 318 055
Total Assets		**271 284 687**	**255 261 635**

			0				

Westonaria Local Municipality
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 June 2008

Budget 2007 R	2008 R		Note	Actual 2007 R	2008 R
		REVENUE			
16 779 892	16 779 892	Property Rates	15	16 494 796	17 447 112
0	0	Property Rates - Penalties & Collection charges		0	0
63 719 083	62 376 889	Service Charges	16	63 359 553	68 185 436
0	0	Regional Services Levies - Turnover		0	0
0	0	Regional Services Levies - Remuneration		0	0
177 375	153 662	Rental of facilities & equipment		488 371	424 522
129 280	129 280	Interest earned - external investments		1 732 650	1 729 605
4 187 038	4 396 391	Interest earned - outstanding debtors		4 234 629	4 953 691
946 137	525 393	Fines		600 380	271 144
2 255 461	2 255 461	Licences & permits		3 242 039	3 147 649
0	0	Income for agency service		0	0
72 535 669	64 440 222	Government grants and subsidies	17	79 855 515	72 421 966
2 149 421	2 253 632	Other income	18	878 625	2 426 373
		Bad debts recovered from provision		10 467 105	3 149 532
0	0	Revenue from insurance claims		17 689	25 305
162 879 356	153 310 822	**Sub total Revenue**		181 371 352	174 182 335
0	0	Less Revenue foregone		0	0
162 879 356	153 310 822	**Total Revenue**		181 371 352	174 182 335
		EXPENDITURE			
58 174 350	67 869 672	Employee related cost	19	57 791 868	67 681 233
6 239 435	7 051 071	Remuneration of Councillors	20	6 052 647	6 235 410
0	0	Bad debts		0	3 149 532
500 000	500 000	Collection cost		941 856	680 561
3 723 349	859 366	Depreciation		3 778 440	4 366 661
9 425 331	9 425 331	Repairs & maintenance		9 310 545	8 521 213
6 551 088	6 551 088	Interest paid/Capital Charges	21	6 046 758	5 689 237
37 412 387	37 412 387	Bulk Purchases	22	37 346 203	36 533 840
3 537 933	3 537 933	Contracted services		3 437 933	4 116 128
31 500	31 500	Grants & Subsidies paid	23	1 139	19 145
11 789 419	26 446 592	General expenses		12 946 125	27 548 586
849 894	849 894	Provision for Bad Debts, leave pay		11 092 631	7 611 036
0	0	Loss on disposal of property, plant and equipment		0	
0	-15 251 483	Internal Charges/Charge outs		0	-6 014 119
138 234 686	145 283 351	**Total expenditure**		148 746 145	166 138 463
24 644 670	8 027 471	**SURPLUS/(DEFICIT)**		32 625 207	8 043 872
24 644 670	**8 027 471**	**SURPLUS/(DEFICIT) FOR THE YEAR**		**32 625 207**	**8 043 872**

Refer to Appendix E(1) for explanation of variances

Westonaria Local Municipality

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Capitalisation reserve	Transport Fund	Asset Financing Reserve	Government grant reserve	Donations & Public contributions reserve	Revaluation reserve	Accumulated surplus/(deficit)	Total
2007								0
Balance at 1 July 2006	0	0	0	77 175 723	0	0	62 798 318	139 974 041
Correction of error	0	0	0	0	0	0		0
Recognition of water stock in course of 2006 YE audit								
Change in Accounting policy	0	0	0	0	0	0	0	0
Restated Balance	0	0	0	77 175 723	0	0	62 798 318	139 974 041
Surplus/(deficit) for the year	0	0	0	0	0	0	32 625 207	32 625 207
Prior year transactions	0	0	0	0	0	0	0	0
Overstatement of provision for doubtful debts 2006							0	
Reserves utilised in operating	0	0	0	0	0	0	0	0
Transfer to AFR	0	0	984 903	0	0	0	-984 903	0
Property, Plant & Equipment purchased	0	0	0	0	0	0	0	0
Capital grants used to purchase PPE	0	0	0	29 047 438	0	0	-29 047 438	0
Ofsetting of Depreciation		0	0	-1 147 510	0	0	1 147 510	0
Other transfers	0	0	0	0	0	0	4 346 966	4 346 966
Balance at 30 June 2007	0	0	984 903	105 075 651	0	0	70 885 660	176 946 214
								0
2008								0
Prior year transactions	0	0	0	0	0	0	100 972	100 972
Change in Accounting policy	0	0	0	0	0	0	0	0
Restated Balance	0	0	984 903	105 075 651	0	0	70 986 632	177 047 186
Surplus/(deficit) for the year	0	0	0	0	0	0	8 043 872	8 043 872
Reserves utilised in operating	0	0	0	0	0	0	0	0
Transfer to AFR	0	0	0	0	0	0	0	0
Property, Plant & Equipment purchased	0	0	0	24 314 415	0	0	-24 314 415	0
Capital grants used to purchase PPE	0	0	0	0	0	0	0	0
Ofsetting of Depreciation	0	0	0	-2 612 539	0	0	2 612 539	0
Other transfers	0	0	0	0	0	0	0	0
Balance at 30 June 2008	0	0	**984 903**	**126 777 527**	0	0	**57 328 627**	**185 091 058**

				Difference (here to b/sheet0			0	

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		183 526 097	155 887 293
Cash paid to suppliers and employees		-139 620 113	-107 487 136
Cash generated from/(utilised in) operations	25	43 905 984	48 400 157
Interest received		1 729 605	1 732 650
Interest paid		-5 689 237	-6 046 758
NET CASH FROM OPERATING ACTIVITIES		39 946 352	44 086 049
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-31 817 099	-29 188 653
Proceeds on disposal of property, plant and equipment		25 305	17 689
Increase/(Decrease) in non-current receivables		-1 190 110	1 517 428
Increase in non-current investments		-5 294 328	410 734
Increase/(Decrease) in call investment deposit		7 197 601	-10 542 606
NET CASH FROM INVESTING ACTIVITIES		-31 078 632	-37 785 407
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised		9 117 392	9 385 300
Loans repaid		-4 801 367	-9 025 969
Increase/- decrease in consumer deposits		223 910	162 061
NET CASH FROM FINANCING ACTIVITIES		4 539 936	521 392
Cash and cash equivalents at the beginning of the year		**13 210 656**	**6 388 619**
Cash and cash equivalents at the end of the year	26	**3 947 530**	**13 210 656**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**13 407 660**	**6 822 034**

Westonaria Local Municipality
Accounting policies for the Annual Financial Statements
For the year ended 30 June 2008

1. BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for the revaluation of land and buildings, which are carried at fair value.

These annual financial statements have been prepared in accordance with Generally Accepted Municipal Accounting Practices (GAMAP) and Generally Recognised Accounting Practice (GRAP). These accounting policies are consistent with those of the previous financial year.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of:

General Notice 991 of 2005, issued in Government Gazette no. 28095 of 7 December 2005; and
General Notice 992 of 2005, issued in Government Gazette no. 28095 of 15 December 2005.

The standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraph 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board. A summary of the significant accounting policies are disclosed below.

No	Standard no.	Standard title
1	AC 105	Leases
2	AC 116	Employee benefits

The municipality is exempted from the following accounting reporting standards in terms in terms of Government notice 522, incorporating Government Gazette 30013 dated 29 June 2007.

Financial reporting standard	Detail	Extend of exemption from standard
GRAP 3	Accounting policies, changes in accounting estimates and errors	Identification and impact of Grap standards that have been issued but are not yet effective and changes to accounting policies [Par 59-61 and 30 -31]
GAMAP 17	Property, plant and equipment	Review of depreciation method applied to PPE recognised in the annual financial statements
		Review of useful life of items of PPE recognised in the annual financial statements.
		Impairment of non-cash-generating assets
		Impairment of cash generating assets
IAS 36 (AC 128)	Impairment of assets	Entire standard
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17
		The entire standard to the extend that it relates to water stock that was not purchased by the municipality
IAS 40 (AC 135)	Investment property	The entire standard to the extent that the property is accounted for in terms of GAMAP 17
		Disclosure of the fair value of the investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standards
IAS 17 (AC 105)	Leases	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement
IAS 38 (AC 129)	Intangible assets	The entire standard except for recognition, measurement and disclosure of computer software and website costs and all other costs are expensed.

IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information
GAMAP 9	Revenue	Initial measurement of fair value discounting all future receipts using an imputed rate of interest
IAS 39 (AC 133)	Financial instruments: recognition and measurement	Initially measuring financial assets and financial liabilities at fair value.
IFRS 5 (AC 142)	Non-current assets held for sale and discontinued operations	Classification, measurement and disclosure of non-current assets held for sale.
IFRS 7 (AC 144)	Financial instruments: Disclosure	Entire standard to be replaced by IAS 32(AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998
IAS 14 (AC 115)	Segmental reporting	Entire standard
IFRS 8 (AC 145)	Operating segments	Entire standard
IAS 11 (AC 109)	Construction contracts	Entire standard
IAS 20 (AC 134)	Accounting for government grants and disclosure of government assistance	Entire standard excluding paragraph 25 and 26, replaced by paragraph 8 of GAMAP 12,paragraph 25 of GAMAP 17 and paragraph 42 – 46 of GAMAP 9

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. RESERVES

4.1 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit)

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

4.2 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

4.3 Asset Financing Reserve (AFR)

In order to finance the provision of items of plant and equipment from internal sources, amounts are tranferred from the unappropriated surplus to the AFR. A corresponding amount is included in the bank account. The amount transferred to the AFR is based on the municipalitity's need to finance future replacement of plant and equipment included in the Integrated Development Plan.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are revalued as indicated below. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

Infrastructure	Years	Other	Years
Roads and Paving	30	Buildings	30
Electricity	20-30	Specialist vehicles	10
Water	15-20	Other vehicles	5
Sewerage	15-20	Office equipment	3-7
Community buildings	30	Furniture and fittings	7-10
Recreational Facilities	20-30	Bins and containers	5
Security	5	Specialised plant and equipment	10-15
		Other items of plant and equipment	2-5
		Landfill sites	15

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Assets with a value less than R2 000-00 and a life span of a year and less are deem to be consumable items.

Accounting Policy for the 2006/07 Financial Year and for the 2007/8 Financial Year.

In terms of the exemptions granted by the Minister of Finance no impairment testing was done for non-cash-generating assets as well as cash-generating assets due to the application of an exemption of IAS 36/AC 128 – *Impairment of assets*- granted in terms of Government Gazette 30013.

The municipality is exempt from IAS 40 (AC 135) – *Investments property* - granted in terms of Government Gazette 30013 as it has not recognised any property as investment property but as property, plant and equipment in terms of GAMAP 17 – *Property, plant and equipment.* It only recognises its property as investment property when it is certain that it meets the definition of investment property.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets which are assessed annually.

Intangible Assets

No intangible assets were transferred from the asset register due to the exemption granted in terms of Government Gazette 30013.

6. INVESTMENTS

6.1 Financial Instruments

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Accounting policy for 2006/07 Financial Year and for the 2007/8 Financial Year

The municipality did not test for impairment of assets as it is exempted from IAS 36 (AC 128) granted in terms of Government Gazette 30013.

7. INVENTORIES

Accounting policy for 2006/07 Financial Year and for the 2007/8 Financial Year

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average method

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

8. ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

9. TRADE CREDITORS

Accounting policy for 2006/07 Financial Year and for the 2007/8 Financial Year

Trade creditors are stated at their nominal value.
The initial recognition at fair value in accordance with IAS 39 / AC 133 was not undertaken by the municipality as it is exempted in terms of Government Gazette 30013.

10. REVENUE RECOGNITION

10.1 Revenue from Exchange Transactions

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time proportion basis.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised

Accounting policy for 2006/07 Financial Year and for the 2007/8 Financial Yea

In terms of Government Gazette 30013 exemption was granted from paragraph 12 of GAMAP 9 – *Revenue* - in initial measurement of fair value of revenue by discounting all future receipts using an imputed rate of interest. The initial recognition at fair value in accordance with GAMAP 9 – *Revenue*- and IAS 39/AC 133 – *Financial instruments: Recognition and measurement*- is likewise exempted in terms of this Gazette. The municipality recognises revenue from the sale of goods and services at its face value. Any payables from the purchase of goods and services are also recognised at face value/cost.

10.2 Revenue from non-exchange transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

11. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

12. PROVISIONS

Accounting policy for 2006/07 Financial Year and for the 2007/8 Financial Yea

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

13. CASH AND CASH EQUIVALENTS

Accounting policy for 2006/07 Financial Year and for the 2007/8 Financial Yea

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

14. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

15. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

16. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

17. COMPARATIVE INFORMATION

17.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current financial year only.

17.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

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18. RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

19. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance

20. LEASES

Accounting policy for 2006/07 and for the 2007/2008 Financial Year

Exempted from recognising operating lease payments on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement, IAS 17 (AC 105) – *Leases*; has been approved in terms of Government Gazette 30013 of 29 June 2007,

21 JUDGEMENT AND ESTIMATES

Judgment is required in determining the provision for doubtful debts. There are many transactions and calculations related to various debtors which require estimates to be made. The municipality recognises the provision for doubtful debts based on estimates and information available to management at year end.

22. EXEMPTIONS

22.1 Full advantage

The municipality had taken full advantage of all the exemptions by the Minister of Finance in Government Gazette 30013 of 29 June 2007. These exemptions are for the 2006/07 and 2007/08 financial years.

22.2 Adjustment for full compliance

By complying fully with the standards that are currently being exempted and for which the full advantage has been taken will result in changes in the following:

22.2.1 Statement of financial Performance

- Impairment loss / gain
- Changes in fair value of assets
- Adjustment in expenditure for intangible assets
- Property, plant and equipment adjusted for Impairment
- Property, plant and equipment adjusted for Intangible assets
- Recognising of Intangible assets.

WESTONARIA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
1 LONG-TERM LIABILITIES		
Local Registered Stock Loans	9 628 000	9 628 000
Annuity Loans	42 513 388	38 565 886
Financial Lease	453 188	84 669
Sub-total	52 594 576	48 278 555
Less : Current portion transferred to current liabilities	-12 901 119	-4 628 724
Local Registered Stock Loans	-7 000 000	0
Annuity Loans	-5 889 164	-4 565 544
Financial Lease	-11 956	-63 180
Total External Loans	**39 693 457**	**43 649 831**
Refer to Appendix A for more detail on long-term liabilities.		
2 CONSUMER DEPOSITS		
Electricity and Water	**2 692 194**	**2 468 284**
Guarantees in lieu of Electricity and Water Deposits	**120 000**	**120 000**
See note 12		
All consumers are required to a deposit equating to two months consumption of electricity and water services. These deposits are only refunded once the service is terminated. No interest is paid on deposits.		
3 LEAVE PAY ACCRUAL		
Leave pay	5 842 432	3 572 636
Less: Staff Debtors (Leave taken in advance) (Note12)	64 893	43 328
Net Provision	**5 777 539**	**3 529 308**
4 CREDITORS		
Trade creditors	10 216 924	8 255 251
Accruals	0	286 681
Payments received in advance	0	369 171
Stock in transit	237 036	176 813
Salary creditors	91 157	27 019
Debtors with credit balances	1 647 060	7 435 287
Sundry Debtors with credit balances	237 276	979 866
	12 429 453	**17 530 088**
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
5.1 Conditional Grants from other spheres of Government	6 575 438	2 451 407
MIG Grants (see note 17.3)	6 575 438	2 451 407
FMG Grant (see note 17.4)	0	
6 VAT		
VAT payable	**265 384**	**4 057 779**
VAT receiveable (Sundry Debtors - Note12)	**0**	**0**
VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.		

7 PROPERTY, PLANT AND EQUIPMENT

30 June 2008

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

30-Jun-08 Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2007	**27 441 409**	**121 562 558**	**32 511 856**	**0**	**14 012 424**	**195 528 249**
Cost	27 441 409	183 977 315	32 884 844	0	23 091 442	267 393 611
Accumulated depreciation	0	-62 414 757	-372 987	0	-9 079 018	-71 866 762
Acquisitions	136 762	8 896 366	923 387	0	2 868 321	12 824 835
Disposals		-3 138 204	-20 783		-1 841 466	-5 000 454
Capital under Construction		9 019 415	4 295 819		9 213 542	22 528 776
Depreciation	0	-3 389 790	-113 084	0	-946 623	-4 449 497
Accumulated depreciation on Disposals		211 399	289	0	1 810 911	2 022 599
Carrying value of disposals						
Cost	27 578 171	198 754 891	38 083 267	0	33 331 838	297 746 769
Accumulated depreciation	0	-65 593 148	-485 782	0	-8 214 731	-74 293 661
Carrying values at 30 June 2008	**27 578 171**	**133 161 743**	**37 597 485**	**0**	**25 117 108**	**223 454 507**
Cost	27 578 171	198 754 891	38 083 267	0	33 331 838	297 748 168
Accumulated depreciation	0	-65 593 148	-485 782	0	-8 214 731	-74 293 661

30 June 2007 Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	**27 255 621**	**107 190 534**	**27 785 701**		**7 886 195**	**170 118 051**
Cost	27 255 621	166 520 674	28 158 688		16 270 675	238 205 658
Accumulated depreciation	0	-59 330 140	-372 987		-8 384 480	-68 087 607
	0	0	0		0	0
Acquisitions	185 788	12 531 403	1 901 659		5 164 229	19 783 079
Disposals					-414 246	-414 246
Capital under construction		4 925 239	2 824 497		1 655 139	9 404 875
Depreciation	0	-3 083 918			-694 538	-3 778 456
Accumulated depreciation on Disposals					414 246	414 246
Carrying value of disposals						
Cost/revaluation						0
Accumulated depreciation	0	-62 414 058	-372 987	0	-9 079 018	-71 866 063
Carrying values at 30 June 2007	**27 441 409**	**121 563 257**	**32 511 856**	**0**	**14 011 025**	**195 527 549**
Cost	27 441 409	183 977 315	32 884 843	0	23 090 043	267 393 611
Accumulated depreciation	0	-62 414 058	-372 987	0	-9 079 018	-71 866 063

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of identifying and verifiying all infrastructure and community assets with a view to assessing their remaining useul lives and will recalculate the accumulated depreciation once this exercise has been completed.The project plan envisages that this should be completed by 30 June 2009. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the Municipality has not assessed whether items of property, plant and equipment are impaired. This forms part of the above project.
The exemptions granted in terms of Note 522 in the Government Gazette No. 30013, dated 29 June 2007, as described in the Accounting Policies note on "Basis of Presentation", include certain provisions of GAMAP 17 which allows for a completion date by the end of the financial year on 30 June 2009.

	2008 R	2007 R
8 INVESTMENTS		
Financial Instruments		
Fixed Deposits	0	0
Short Term Deposits (disclosed in note 13)		
Pledged Investments	8 216 976	7 194 863
	8 216 976	7 194 863
Less : Current portion transferred to Short term investments (note 13)	6 316 441	0
	1 900 535	**7 194 863**

The amount of R 8,216,976 (2007 - R7,194,863) has been invested with Nedcor as security for the redemption of registered municipal stock on maturity date.

9 LONG-TERM RECEIVABLES		
Sale of stands	4 031 586	3 644 573
Car loans	676 148	590 785
Sundry staff loans	0	9 340
Bursary loans	0	81 721
Mothlakeng Sewer (Randfontein Local Municipality)	5 290 419	10 354 692
Gauteng Department of Health	0	1 659 024
Property deposits	-150	-150
	9 998 004	16 339 985
Less : Current portion transferred to current receivables	5 290 419	10 442 291
Sale of stands	0	78 260
Sundry staff loans	0	9 340
Mothlakeng Sewer (Randfontein Local Municipality)	5 290 419	10 354 692
Less: Provision for doubtful debts	1 852 232	1 852 232
Sale of stands	1 176 084	1 252 108
Car loans	676 148	590 785
Staff loans	0	9 340
Total	**2 855 352**	**4 045 462**

SALE OF STANDS

A provision has been raised against a proportion of the debtors for the sale of stands. Interest has been accrued to these debts and is reflected in interest earned. An adjustment to this interest earned has not been made as this provision encompasses such an adjustment.

CAR LOANS

Senior staff were prior to the implimentation of the Municipal Finance Management Act entitled to car loans which attract interest at 8.5% per annum and which are repayable over a maximum period of 6 years. No new loans are granted since 2003. The loans still reflected relate to 5 former employees which have been handed over to the Municipality's attorneys for collection. The amount includes an amount of R 463 865.26 owned by a former Municipal Manager.

10 INVENTORY		
Consumable stores – at cost	1 307 288	1 351 966
Spare parts – at realisable value	0	0
Other goods held for resale – at cost	0	0
Water in reservoirs	237 036	55 688
Total Inventory	**1 544 324**	**1 407 654**

Stock in transit are shown as creditors (Note 4 refers)

WESTONARIA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
11 CONSUMER DEBTORS			
	Gross Balances	**Provision for Bad Debts**	**Net Balance**
As at 30 June 2008	**R**	**R**	**R**
Service debtors			
Rates	8 889 679	2 573 231	6 316 448
Electricity	5 702 060	2 595 929	3 106 131
Water	24 016 765	17 135 643	6 881 122
Sewerage	2 612 153	1 796 693	815 460
Refuse removal	3 975 498	3 163 739	811 759
Rental	675 455	532 660	142 796
Other - Vat, capital, interest, reconnection fees etc	19 138 492	13 083 170	6 055 322
Handed over Debtors	1 180 152	177 023	1 003 129
Debtors with credit balances	1 647 060	0	1 647 060
Total	**67 837 313**	**41 058 087**	**26 779 226**
As at 30 June 2007			
Service debtors			
Rates	6 152 052	5 452 396	699 656
Electricity	6 403 304	3 452 418	2 950 886
Water	16 919 268	11 509 758	5 409 510
Sewerage	2 396 014	1 645 616	750 398
Refuse removal	3 548 564	2 760 056	788 508
Rental	479 002	308 065	170 937
Other - Vat, capital, interest, reconnection fees etc	14 247 144	13 437 728	809 416
Handed over Debtors	1 378 722	213 884	1 164 838
Debtors with credit balances	7 435 287		7 435 287
Total	**58 959 355**	**38 779 921**	**20 179 436**
Rates: Ageing			
Current (0 – 30 days)		1 338 351	869 034
31 - 60 Days		480 823	323 927
61 - 90 Days		294 751	371 587
91 - 120 Days		302 734	296 470
121 + Days		6 477 258	3 916 206
Total		**8 893 917**	**5 777 225**
(Electricity, Water ,Sewerage ,Refuse and rental)Ageing (excludes VAT, Interest, Capital and reconnection fees)			
Current (0 – 30 days)		5 423 129	5 525 943
31 - 60 Days		1 955 406	1 823 180
61 - 90 Days		1 487 978	1 260 461
91 - 120 Days		1 125 152	1 223 631
121 + Days		26 990 264	19 906 801
Total		**36 981 929**	**29 740 016**
Reconciliation of the bad debt provision for consumer debtors			
Balance at beginning of the year		38 779 921	27 054 752
Contributions to provision		0	11 742 501
Bad debts written off against provision		2 278 166	-17 332
Reversal of provision		0	0
Reversal of provision as overstated - computed as part of 2006 audit			0
Balance at end of year		**41 058 087**	**38 779 921**
Reconciliation of bad debt provisions on long term receivables (Note 9) & other debtors (note 12)			
Balance at beginning of the year			
Contributions to provision			
Long term receivables (note 9)		1 852 232	1 852 232
Other debtors (note 12)		1 053 258	1 116 953
Balance at end of year		**2 905 490**	**2 969 185**
Total provisions held for all debtors		**43 963 577**	**41 749 107**
12 OTHER DEBTORS			
Debit balances in creditors		0	369 171
Guarantees in lieu of Electricity and Water Deposits		120 000	120 000
Overtime & bonuses paid in advance of salary processing		898 673	686 470
Sundry Debtors		1 523 977	1 992 742
Staff Debtors Leave taken in advance		64 893	43 328

SARS	0	8 353 131
VAT receivable (Sundry Debtors)	0	
Sub Total	**2 607 543**	**11 564 842**
Provision for Bad Debts - sundry debtors	1 053 258	1 116 953
Reversal of provision		
Total Other Debtors	**1 554 285**	**10 447 889**

13 SHORT TERM INVESTMENTS

Short term deposits	1 578 898	697 738
Pledged investments - transferred from Investments (note 8)	6 316 441	0
	7 895 339	**697 738**

	2008	**2007**
	R	**R**

14 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank account: -

Current Account (Primary Bank Account)

ABSA- Branch Westonaria. Account 590-000-019

Cash book balance at beginning of year	5 308 049	1 441 611
Cash book balance at end of year	**-5 859 044**	**5 308 049**
Cash on hand at beginning of year	10 006	10 006
Cash on hand at end of year	10 700	10 006
Bank statement balance at beginning of year	9 483 626	5 439 984
Bank statement balance at end of year	**1 820 500**	**9 483 626**

15 PROPERTY RATES

Actual

Residential		
Commercial		
State		
Total Assessment Rates	**17 447 112**	**16 494 796**

Valuations

Land	182 303 979	181 529 879
Improvements	692 559 146	641 038 446
Total Property Valuations	**874 863 125**	**822 568 325**

Valuations on land and buildings are planned to be performed every three years. The last valuation came into effect on 1 July 2000. The current valuation roll will remain in force till implementation of the new valuation roll. The new roll will be produced so that it can be introduced at the same time as the new Property Rates Act is due to be activated 1 July 2009. A general rate of R0.1520 (2007: R0.1446) is applied to property valuations to determine assessment rates. Rebates of 40% are granted to pensioners. Rates are levied on an annual basis on property owners. Rates are levied on an annual basis and are payable monthly by the 8th day of the following month. Interest at 15% per annum (2007: 15%) is levied on outstanding rates. Overdue amounts are handed over for collection once the Revenue Collection policy processes have been followed

	2008	**2007**
	R	**R**

16 SERVICE CHARGES

Sale of electricity	32 504 710	31 723 275
Sale of water	18 937 859	17 077 627
Refuse removal	4 781 744	4 487 647
Sewerage and sanitation charges	11 834 846	10 269 349
Other service charges	126 276	160 793
Total Service Charges	**68 185 436**	**63 718 691**

17 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	36 392 493	44 335 556
Provincial health subsidies	4 351 278	4 609 397
Sundry; Provincial Government	5 000 000	0
MIG Grant : National Government: Capital expenditure	24 207 615	29 047 438
MIG Grant : National Government: Operational expenditure	1 149 550	1 363 124
MSIG	821 030	0
FMG Grant	500 000	500 000
Total Government Grant and Subsidies	**72 421 966**	**79 855 515**

17.1 Equitable Share

The equitable share allocation reflects the equitable division of Revenue raised nationally amongs spheres of Government in terms of the Division of Revenue Act, No. 1 of 2007 (Government Gazette No. 29763 dated 31 March 2007)

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. It is also used to finance operational expenditure and Councillor remuneration.

	2008 R	2007 R
17.2 Provincial Health Subsidies		
Balance unspent at beginning of year	0	0
Current year receipts - included in public health vote	4 351 278	4 609 397
Conditions met - transferred to revenue	4 351 278	4 609 397
Conditions still to be met - transferred to liabilities (see note 6)	**0**	**0**

The Municipality renders primary health services on behalf of the Provincial Government and is refunded fully for expenditure incurred. Income and expenditure related to primary health services are included in the public health vote as per Appendix D. The conditions of the subsidy have been met.

17.3 MIG Grant		
Balance unspent at beginning of year	2 451 407	3 429 304
Current year receipts	31 932 603	24 880 217
Conditions met (Infrastructure)- transferred to revenue	26 659 022	24 700 472
Conditions met (PMU Unit)- transferred to revenue	1 149 550	1 157 642
Conditions still to be met - transferred to liabilities (see note 5)	**6 575 438**	**2 451 407**

The allocation of MIG grants were in terms of the Division of Revenue Act, No.1 of 2007 (goverment Gazette No.29763 dated 31 March 2007) The MIG Grant consists of 2 componements, one for the operational expenditure related to the unit (R1,149,550: 2008, R1,157,642 : 2007), and the other componement to fund infrastructure such as roads, sewer, disposal sites ect. as part of the upgrading of previous disadvantage areas. (R26,659,022), totalling R31,932,603. No funds have been withheld. Grants ulilized are reflected in the Income statement. Note 17

17.4 FMG Grant		
Balance unspent at beginning of year	0	0
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	500 000	500 000
Conditions still to be met - transferred to liabilities (see note 5)	**0**	**0**

The allocation of the Finance Management Grant was in terms of the Division of Revenue Act, No 1 of 2007 (Government Gazette No.29763 dated 31 March 2007)This grant was used to finance the National Treasury Intern programme and training as part of the Financial Management reform. No funds have been withheld.

17.5 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act No 1 of 2007), no significant increase in the Equitable share allocation are expected over the forthcoming 3 financial years.

18 OTHER INCOME		
Other income		
VAT refund		0
Bad debts recovered from provision	3 149 532	10 467 105
Other (Appendix E1)	2 426 373	878 625
Total Other Income	**5 575 905**	**11 345 730**

19 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	43 417 270	37 680 449
Employee related costs - Contributions for UIF, pensions, medical aids & levies	13 222 279	11 074 996
Travel, motor car, accommodation, subsistence and other allowances	4 585 078	3 842 684
Training levies	943 466	729 220

Housing benefits and allowances	989 169	675 275
Overtime payments	4 558 454	3 725 870
Long-service awards	-34 485	25 180
Less: Employee costs capitalised to Property, Plant and Equipment	0	0
Less: Employee costs included in other expenses	0	0
Total Employee Related Costs	**67 681 231**	**57 753 673**

The comparatives for 2006 have been restated to accord with the disclosure for this year

19 EMPLOYEE RELATED COSTS (Continue)

	2008 R	2007 R
Remuneration of the former acting Municipal Manager:		
Remuneration adjustment- prior year	0	90 506
Annual Remuneration	194845	305 612
Acting Allowance	0	23 454
Service Bonuses	0	39 702
Telephone Allowance	5600	4 900
Car Allowance	58100	100 091
Contributions to UIF, Medical and Pension Funds	59 071	86 952
Total	**317 616**	**651 217**

The above figures reflects the remuneration details of the former Acting Municipal Manager for 2007 and upto the expiry of the retrenchment package on 31 January 2008, see note below.

The post of Municipal Manager had been vacant since July 2004. The Executive Manager Municpal Support services had been acting in this capacity since July 2004. On 17 February 2007 the contract of employment was terminated . In terms of the settlement agreement, the Municipality made payments in terms of the original employment contract until it expired on 31 January 2008. The CFO of the District Municipality was appointed as Acting Municipal Manager from 18 February 2007 until 31 July 2007 at no cost to Westonaria Municipality.

Remuneration of the Municipal Manager:Appointed 1 August 2007		
Remuneration adjustment- prior year	0	0
Annual Remuneration	509 577	0
Acting Allowance	0	0
Service Bonuses	0	0
Telephone Allowance	10 000	0
Car Allowance	177 965	0
Contributions to UIF, Medical and Pension Funds	121 056	0
Total	**818 598**	**0**

The Municipal Manager was appointed from 1 August 2007.

Remuneration of the Chief Finance Officer		
Remuneration adjustment- prior year	0	90 506
Annual Remuneration	424 810	303 177
Acting Allowance	4 010	8 340
Service Bonuses	29 422	27 930
Telephone Allowance	8 400	8 400
Car Allowance	99 889	99 889
Contributions to UIF, Medical and Pension Funds	106 504	87 312
Total	**673 036**	**625 554**

Remuneration of Individual Executive Directors

	Internal Affairs Services R	ID &P Services R	Municipal Support Services R	Community Services R
30 June 2008				
Annual Remuneration	392 975	135 820	317 944	260 083
Service Bonuses	32 445			0
Telephone Allowance	8 400	4 500	10 500	10 500
Car Allowance	132 250	23 580	55 020	61 860
Medical and pension funds	125 046	374	7 232	58 253
Total	**691 116**	**164 274**	**390 696**	**390 696**
30 June 2007				
Remuneration adjustment- prior year	91 835			82 000

Annual Remuneration	345 583			204 439
Acting Allowance				2 612
Service Bonuses	43 160			39 702
Telephone Allowance	8 400			4 900
Car Allowance	87 672			66 609
Medical and pension funds	98 983			57 989
Total	**675 632**	**0**	**0**	**458 251**

WESTONARIA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

19 EMPLOYEE RELATED COSTS (Continue)

The post of Executive Manager: ID & P had been vacant since July 2005. The Executive Manager Municipal Support services had also been the Acting Municipal Manager until 17 February 2007.
From 1 March 2007 a employee from the Sedibeng District Municipality was seconded to Westonaria Municipality to be the Acting Executive Manager Municipal Support Services, at no cost to Westonaria Municipality.
The former Executive Manager; Community Services resigned with effect from 28 February 2007.
The Executive Manager: Municipal Support Services and Executive Manager: Community Services were appointed as from 1 December 2007. The Executive Manager: ID &P was appointed as from 1 March 2008.
The CFO's contract of employment was renewed as from 1 March 2008.
The Executive Manager: Internal Affairs' contract expires 30 April 2009.

	2008 **R**	**2007** **R**
20 REMUNERATION OF COUNCILLORS		
Executive Mayor	478 829	447 503
Speaker	374 697	350 184
Executive Committee Members (Per individual member)	234 494	219 154
Executive Committee Members (5 x members)	1 172 472	1 095 768
Councillors (per Councillor)	143 971	134 552
Councillors (22 Councillors)	2 132 052	1 992 572
Councillors' pension contribution	456 621	425 353
Transport Allowance	1 166 918	1 090 577
Other (Re-embursement, training ect.)	453 822	650 689
Total Councillors' Remuneration	**6 235 410**	**6 052 647**

In-Kind Benefits

Councillors were remunerated for the period 1 July 2007 until 31 December in terms of Government Gazette No. R1224 of 1 December 2006. The remuneration packages of Councillors are in terms of the forementioned Government Gazettes and are structured to include "In kind benefits". The payment structure was confirmed in the Council's resolution 0003/07(02). Councillors wereremunerated for the period 1 January 2008 until 30 June 2008 in terms of Government Gazette No. R1227 of 18 December 2007. The payment structure was confirment in Council resolution C/Res 0274/08(02). The Speaker (Ms. B. Mnqwazana) was replaced at end of May 2008 by Mr. L. Kolisi.

	2008 **R**	**2007** **R**
21 INTEREST PAID		
Long-term liabilities	5 689 237	6 046 758
Consumer deposits	0	0
Bank overdrafts	0	0
Total Interest on External Borrowings	**5 689 237**	**6 046 758**
22 BULK PURCHASES		
Electricity	18 410 815	20 590 590
Water	18 123 025	16 798 255
Total Bulk Purchases	**36 533 840**	**37 388 845**
23 GRANTS AND SUBSIDIES PAID		
Grants	19 145	1 139
	19 145	**1 139**

24 GENERAL EXPENSES

Included in general expenses are the following :-		
None	0	0

WESTONARIA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
25 CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	8 043 872	32 625 207
Adjustment for:-		
Depreciation	4 366 661	3 778 440
Off-setting of Depreciation	-2 612 539	-1 147 510
Previous year adjustments: Property, Plant and Equipment	-1 097 187	-1 097 187
Gain on disposal of property, plant and equipment	-25 305	-17 689
Contribution to Capital Replacement Fund	0	984 903
Contribution to Government Grant reserve	0	0
Contribution to provisions - non-current	0	-10 524 366
Contribution to provisions – current	2 278 166	11 725 170
Capital receipts realised	24 204 437	24 590 494
Interest paid	5 689 237	6 046 758
Investment income	-1 729 605	-1 732 650
Operating surplus before working capital changes:	39 117 737	65 231 570
(Increase)/Decrease in inventories	-136 670	-325 574
(Increase)/decrease in debtors	-6 599 791	-4 076 597
(Increase)/decrease in other debtors	8 893 604	-9 071 737
Increase /(decrease)in conditional grants and receipts	4 124 031	-977 896
(Increase)/decrease in short term portion of long term debtors	5 151 872	-10 320 075
Increase (decrease) in leave provision	2 248 231	660 014
Increase (decrease) in creditors	-5 100 635	5 533 234
Increase/(decrease) in VAT	-3 792 394	1 747 256
Cash generated by/(utilised in) operations	**43 905 984**	**48 400 195**
26 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
Bank balances and cash	10 700	5 318 055
Bank overdrafts	-5 859 044	0
Investments	9 795 874	7 892 601
Total cash and cash equivalents	**3 947 530**	**13 210 656**
27 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term liabilities (see Note 1)	52 594 576	48 278 555
Used to finance property, plant and equipment – at cost	52 594 576	48 278 555
Sub- total		
Cash set aside for the repayment of long-term liabilities	0	0
Cash invested for repayment of long-term liabilities (see note 8)	**8 216 976**	**7 194 863**
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.		
28 UNAUTHORISED,FRUITLESS AND WASTEFUL EXPENDITURE		
Interest Paid on late payment of ESCOM and Randwater accoun	0	8 130
Expenditure of excess amoun	0	7 443
	0	15 573
The amounts stated for 2007 were recovered in terms of the provisions of the MFMA		
29 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
29.1 Contributions to organized local government		

Opening balance	0	0
Salga Membersship fees	217 643	185 529
Salga- SA Local Government Bargaining Council	10 439	29 885
Amount paid - current year	228 082	215 414
Balance unpaid (included in creditors)	**0**	**0**

29.2 Audit fees

Opening balance	0	327 894
Prior year audit fee	0	20 105
Current year audit fee	982 073	573 613
Amount paid - current year	-982 073	-573 613
Amount paid - previous years	0	-347 999
Balance unpaid (included in creditors)	**0**	**0**

	2008	**2007**
	R	**R**

29.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 6. All VAT returns have been submitted by the due date throughout the year.

29.4 PAYE and UIF

Opening balance	0	0
Current year payroll deductions	8 149 709	7 029 869
Amount paid - current year	8 149 709	7 029 869
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	**0**	**0**

29.5 Pension and Medical Aid Deductions

Opening balance	0	0
Current year payroll deductions and Council Contributions	18 876 913	15 566 535
Amount paid - current year	18 880 131	15 566 535
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	**0**	**0**
Balance in advance (included in debtors)	**3 218**	**3 218**

29.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more

	Total	**Outstanding less than 90 days**	**Outstanding more than 90 days**
	R	**R**	**R**
30 June 2008			
Councillor A Gela	5 085	1 033	4 051
Total Councillor Arrear Consumer Accounts	**5 085**	**1 033**	**4 051**
30 June 2007			
Councillor A Gela	2404	1 218	1 185
Councillor SN Mndayi	2041	2 041	0
Total Councillor Arrear Consumer Accounts	**4445**	**3259**	**1185**

These outstanding amounts will be recovered from salaries in terms of instructions from the MEC Gauteng Department of Local Government

30 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:		
- Approved and contracted for	**13 887 363**	9 387 839
Infrastructure	13 887 363	9 387 839
Community		
Heritage		
Other		
- Approved but not yet contracted for	**0**	0
Infrastructure		0

Community		
Heritage		
Other		
Total	**13 887 363**	**9 387 839**
This expenditure will be financed from:		
- External Loans		
- Government Grants	13 887 363	9 387 839
- Own resources		
- District Council Grants		
	13 887 363	**9 387 839**

31 CONTINGENT LIABILITIES

Included in contigent liabilities are the following :-		
Claim for damage to a house rising from a fallen tree	75 096	75 096
Labour dispute	0	46 236
	75 096	**121 332**

WESTONARIA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	**2007**
	R	**R**
32 IN-KIND DONATIONS AND ASSISTANCE		
The muncipality received no in-kind donations and assistance	0	0

33 RETIREMENT BENEFIT INFORMATION

There are six (6) retirement funds into which Councillors and employees contribute. There is one closed defined benefit retirement fund to which ten employees contribute, and a separate defined benefit fund to which Councillors contribute. The former fund is within the ambit of the Joint Municipal Pension Fund (JMPF) structure and the latter is within the ambit of the Municipal Employees Pension Fund structure. The other four (4) funds are defined contribution funds. An actuarial valutaion was performed on the closed fund as at 31 December 2006. Its liabilities as at that date are R 1 818 624 000 which are financed by assets with a market value of R2 116 732 000. Information requested on the latest valuation of the Pension Fund for Councillors was outstanding at the date of this report.
An amount of R6,7 million (2006: R6.2 million) was contributed by the Municipality in respect of Councillor and employees retirement funding. These contributions have been expensed.

34 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

35 POST BALANCE SHEET EVENTS

There are no post balance sheet events that have a bearing these financia statements

36 LEASES
Operating leases

Operating lease payments in the financial statements have been recognised on the basis of the cash flows in terms of the lease agreements. The provisions of Accounting Standard AC 105 (Leases) have not been followed whereby operating lease payments are to be recognised on a straight line basis. The exemptions approved in terms of Notice 522 in the Government Gazette No. 30013, dated 29 June 2007, as described in the Accounting Policies note on "Basis of Presentation", include the exemptions from meeting the requirements of AC 105 on the recognition of operating lease payments on a straight line basis. It is envisaged that the operating lease expenses will be recognised in accordance with this standard in the financial year ended 30 June 2009 in line with the withdrawal of the above exemption.

It is estimated that had the straight line basis been applied in the current financial year the impact would have been a reduction of some R16,877 in the recorded operating lease expense.

Financial leases	**2008**	**2007**
Finance lease obligation	**R**	**R**
Minimum lease payments due		
within one year	453 188	66 840
second to fifth year inclusive	0	39 336

Sub Total	**453 188**	**106 176**
less: future finance charges	1 853	6 780
Present value of minimum lease payments	**451 335**	**99 396**
Non-current liabilities		
Current liabilities	453 188	66 840
	0	39 336

It is the council's policy to lease certain equipment under finance leases.

The effective interest rate is 11,5% and is repayable in 60 equal installments of R6,076.38 of which the first was paid in October 2003. The last installment is Payable end September 2008.

Operating lease obligation

Minimum lease payments due		
within one year	1 152 516	1 409 204
second to fifth year inclusive	1 098 233	2 794 866
Minimum lease payments	**2 250 749**	**4 204 070**

It is the Municipality's policy to lease certain equipment and vehicles under operating leases.

The operational lease for equipment is repayable in 60 equal installments of which the first was paid in October 2003. The last installment is Payable end September 2008. The operational lease of the vehicles is repayable in 60 equal installments of which the first was paid in January 2006. The last installment is payable December 2010.

APPENDIX A

WESTONARIA LOCAL MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOANS		Loan Number	Redeemable	Balance at 2007/06/30	Received during the period	Redeemed written off during the period	Balance at 2008/06/30	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
LONG-TERM LOANS				**R**	**R**	**R**	**R**	**R**	**R**
LOCAL REGISTERED STOCK									
Stock Loan @ 15.50%	(33)	West-01-0002	2011/06/30	2 628 000	0	0	2 628 000	2 628 000	-
Stock Loan @ 17.50%	(32)	West-01-0001	2009/06/30	7 000 000	0	0	7 000 000	7 000 000	0
Total Local registered stock				**9 628 000**	**0**	**0**	**9 628 000**	**9 628 000**	**0**
ANNUITY LOANS									
INCA @ 12.08%		West-01-0003	2013/06/30	7 345 019	0	885 896	6 459 123	6 459 123	
INCA @ 13.34%		West-01-0004	2014/06/30	9 815 395	0	899 125	8 916 270	8 916 270	
INCA @ 10.61%		West-01-0005	2015/12/31	2 720 855	0	209 910	2 510 945	2 510 945	
INCA @ 11.03%		West-01-0006	2010/11/30	4 434 282	0	1 129 736	3 304 546	3 304 546	
INCA @ 11.17%		West-01-0008	2012/06/30	6 415 300	0	1 008 384	5 406 916	5 406 916	
INCA @ 11.11%		West-01-0007	2012/06/30	2 970 000	0	170 977	2 799 023	2 799 023	
INCA @ 13.65%		West-01-0009	2012/06/30	0	3 355 000	80 085	3 274 915	3 274 915	
INCA @ 13.00%		West-01-0010	2012/06/30	0	5 272 000	0	5 272 000	5 272 000	
DBSA @ 12.00%		10506/102	2017/06/30	4 865 034		295 382	4 569 651	4 569 651	
				38 565 884	**8 627 000**	**4 679 494**	**42 513 389**	**42 513 389**	**0**
FINANCE LEASE									
ABSA @ prime less 2%		62723683	2009/06/30	84 668	0	72 712	11 957	11 957	-
ABSA @ prime less 2%			2013/12/31	0	490 392	49 161	441 232	441 232	
Total Finance Lease				**84 668**	**490 392**	**121 873**	**453 188**	**453 188**	**0**
TOTAL EXTERNAL LOANS				**48 278 552**	**9 117 392**	**4 801 367**	**52 594 577**	**52 594 577**	**0**

Westonaria Local Municipality

APPENDIX B

ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 June 2008

	Cost/Revalua					Accumulate				Carrying	Budget
	Opening Balance	Additions	Revaluation	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Land and Buildings											
Land and Buildings	27 441 409	136 762	0	0	27 578 171	0	0	0	0	27 578 171	200 000
	27 441 409	136 762	0	0	27 578 171	0	0	0	0	27 578 171	200 000
Infrastructure											
Drains	776 614	2 491 137	0	0	3 267 751	-2 786	-22 255	17 880	-7 161	3 260 590	2 000 000
Roads	59 735 310	2 912 874	0	0	62 648 184	0	0	0	0	62 648 184	2 500 000
Sewerage mains & Purification	51 276 635	1 658 914	0	-63 127	52 872 422	-9 091 134	-2 535 555	28 812	-11 597 876	41 274 545	2 000 000
Electricity mains	30 989 502	268 194	0	0	31 257 696	-26 653 581	-164 269	100 571	-26 717 279	4 540 417	300 000
Electricity Peak control equipment	0	0	0	0	0	0	0	0	0	0	0
Water mains & Purification	16 536 356	4 200 659	0	0	20 737 014	-6 629 188	-575 256	29 127	-7 175 317	13 561 698	3 000 000
Reservoirs water	19 907 913	0	0	0	19 907 913	-19 907 912	0	0	-19 907 912	1	0
Water meters	870 201	6 052 800	0	-3 026 400	3 896 601	-86 886	-84 155	25 982	-145 059	3 751 542	6 100 000
Pedestrian facilities	3 411 383	331 203	0	-48 677	3 693 908	-43 270	-8 301	9 026	-42 545	3 651 363	400 000
Airports	0	0	0	0	0	0	0	0	0	0	0
Security Measures	473 403	0	0	0	473 403	0	0	0	0	473 403	100 000
	183 977 315	17 915 780	0	-3 138 204	198 754 890	-62 414 757	-3 389 790	211 399	-65 593 148	133 161 742	16 400 000
Community assets											
Parks & Gardens	4 764 737	1 552 182	0	0	6 316 919	-7 503	-18 577	0	-26 079	6 290 840	3 200 000
Libraries	1 951 636	0	0	0	1 951 636	0	0	0	0	1 951 636	0
Recreation Grounds	1 848 835	1 569 560	0	0	3 418 396	0	0	0	0	3 418 396	1 650 000
Civic Buildings	17 426 102	539 466	0	-20 783	17 944 784	-356 763	-89 286	289	-445 760	17 499 024	500 000
Clinics	986 396	0	0	0	986 396	0	0	0	0	986 396	200 000
Cemeteries	1 878 223	1 557 999	0	0	3 436 221	0	-3 944	0	-3 944	3 432 277	1 600 000
Other	4 028 916	0	0	0	4 028 916	-8 721	-1 278	0	-9 999	4 018 917	600 000
Old age Homes	0	0	0	0	0	0	0	0	0	0	0
	32 884 845	5 219 206	0	-20 783	38 083 268	-372 987	-113 084	289	-485 782	37 597 486	7 750 000
Heritage Assets											
Historical buildings	0	0	0	0	0	0	0	0	0	0	0
Paintings & Art Galleries	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
Housing Rental Stock											
Housing Schemes	0				0	0			0	0	0
	0	0	0	0	0	0	0	0	0	0	0
Other Assets											
Landfill sites	11 229 943	9 260 701	0	0	20 490 645	-9 887	-4 979	0	-14 866	20 475 779	9 300 000
Office Equipment	1 512 546	443 703	0	-7 942	1 948 307	-938 928	-197 429	10 954	-1 125 403	822 903	600 000
Furniture & Fittings	1 855 324	244 725	0	-46 780	2 053 269	-1 186 687	-197 405	45 618	-1 338 473	714 796	350 000
Bins & Containers	581 958	126 096	0	0	708 055	-82 844	-91 113	0	-173 958	534 097	150 000
Emergency equipment	0	0	0	0	0	0	0	0	0	0	0
Motor Vehicles	4 917 839	601 544	0	-1 301 819	4 217 564	-4 822 416	-50 498	1 231 768	-3 641 146	576 419	200 000
Fire engines	0	0	0	0	0	0	0	0	0	0	0
Other transport	0	0	0	0	0	0	0	0	0	0	0
Computer equipment	1 810 597	1 296 952	0	-484 925	2 622 624	-1 249 340	-311 977	484 848	-1 076 470	1 546 155	3 536 946
Plant & Equipment	1 135 258	96 751	0	0	1 232 009	-746 700	-90 124	37 724	-799 100	432 909	100 000
	23 043 466	12 070 473	0	-1 841 466	33 272 472	-9 036 801	-943 525	1 810 911	-8 169 415	25 103 058	14 236 946
Inventory Items											
Small assets	47 976	11 390	0	0	59 366	-42 217	-3 099	0	-45 316	14 050	50 000
	47 976	11 390	0	0	59 366	-42 217	-3 099	0	-45 316	14 050	50 000
	267 395 011	35 353 611	0	-5 000 454	297 748 168	-71 866 762	-4 449 497	2 022 599	-74 293 661	223 454 507	38 636 946

Westonaria Local Municipality

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2008

	Cost/Revaluation					Accumulated Depreciation				Carrying Value	Budget additions 2008
	Opening Balance	Additions	Revaluation	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Executive & Council	9 502 244	1 548 484	0	-235 943	10 814 785	-841 366	-281 924	226 324	-896 966	9 917 819	1 660 000
Finance & Admin	31 471 466	1 166 354	0	-291 071	32 346 749	-1 117 692	-271 976	269 875	-1 119 793	31 226 956	1 200 000
Planning & Development	84 564 421	30 761 733	0	-4 288 741	111 037 414	-5 637 697	-376 267	1 301 625	-4 712 339	106 325 075	30 850 000
Health	1 355 302	106 979	0	-1 290	1 460 990	-308 173	-1 582	1 287	-308 468	1 152 523	137 000
Community & Social	6 402 818	253 343	0	-53 408	6 602 753	-510 326	-187 615	62 422	-635 519	5 967 234	150 000
Housing	648 630	17 091	0	0	665 721	-9 563	-2 304	0	-11 867	653 854	18 000
Public Safety	1 668 315	65 228	0	-122 300	1 611 243	-716 760	-37 030	122 282	-631 508	979 735	80 000
Sport & Recreation	1 933 450	89 272	0	-1 600	2 021 122	-81 545	-2 149	4 549	-79 145	1 941 977	90 000
Environmental Services	0	0	0	0	0	0	0	0	0	0	0
Waste Management	59 820 541	126 096	0	0	59 946 637	-9 023 176	-2 532 229	0	-11 555 404	48 391 233	130 000
Road transport	0	0	0	0	0	0	0	0	0	0	0
Water	38 668 966	929 060	0	0	39 598 025	-26 664 654	-591 239	18 965	-27 236 928	12 361 098	1 050 000
Electricity	31 358 859	249 031	0	-6 101	31 601 788	-26 955 811	-160 622	15 270	-27 101 163	4 500 625	3 221 946
Other	0	40 939	0	0	40 939	0	-4 560	0	-4 560	36 379	50 000
TOTAL	267 395 011	35 353 610	0	-5 000 454	297 748 167	-71 866 762	-4 449 497	2 022 599	-74 293 661	223 454 506	38 636 946

Westonaria Local Municipality

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R		2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R
32 324 529	15 053 560	17 270 969	Executive & Council	30 397 231	26 861 277	3 535 954
53 947 630	11 958 816	41 988 814	Finance & Admin	56 911 148	22 810 136	34 101 012
1 315 244	10 786 142	-9 470 898	Planning & Development	1 251 836	11 879 520	-10 627 684
4 907 441	6 715 253	-1 807 812	Health	4 351 278	5 631 047	-1 279 769
203 927	4 897 685	-4 693 758	Community & Social	1 663 378	7 059 431	-5 396 053
1	1 286 905	-1 286 904	Housing	0	1 025 705	-1 025 705
0	0	0	Public Safety	0	0	0
0	0	0	Sport & Recreation	0	0	0
0	0	0	Environmental Services	0	0	0
17 366 868	24 997 095	-7 630 227	Waste Management	19 095 529	26 934 329	-7 838 800
3 841 831	6 306 322	-2 464 491	Road transport	3 418 662	6 549 350	-3 130 688
23 028 667	21 577 031	1 451 636	Water	24 674 210	23 111 674	1 562 536
33 468 110	31 703 287	1 764 823	Electricity	32 419 062	31 575 222	843 840
10 967 105	13 464 048	-2 496 943	Other	0	2 700 772	-2 700 772
181 371 353	148 746 144	32 625 209	**Sub Total**	174 182 335	166 138 463	8 043 872
0	0	0	Less Inter-Departmental Charges	0	0	0
181 371 353	148 746 144	32 625 209	**Total**	174 182 335	166 138 463	8 043 872

Note: Public safety, Sport and recreation and environmental services cost are included with those of Community and social services

Westonaria Local Municipality
APPENDIX E(1)
ACTUAL VERSUS BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	Actual 2008 R	Budget 2008 R	Variance 2008 R	Variance 2008 %	Explanation of significant Variances (Greater than R500 000)
REVENUE					
Property rates	17 447 112	17 318 887	128 225	1	
Property rates-penalties & charges	0	0	0		
Service Charges	68 185 436	62 376 889	5 808 547	9	Increases in Electricity - & Water sales.
Rental : Property & Equipment	424 522	153 662	270 860	176	
Interest earned - external investment	1 729 605	129 280	1 600 325	1 238	Interest on Pledged investments not Budgeted for.
Interest earned - outstanding debtors	4 953 691	4 396 391	557 300	13	Increased interest levied on outstandng debtors
Fines	271 144	525 393	-254 249	-48	-
Licenses & Permits	3 147 649	1 711 058	1 436 591	84	Additional Licence income as a result of more registration of vehicles
Agency services	0	0	0		
Government grants & Subsidies	72 421 966	64 440 222	7 981 744	12	Additional Grants received from Gauteng province (IT system ect.)
Other income	2 426 373	2 253 632	172 741	8	
Bad debts recovered from provision	3 149 532	0	0	100	Writing off accumulated interest on Mothlakeng sewer (Randfontein Municipality) recovered from provision.
Revenue from Insurance claims	25 305	0	25 305	100	
Total revenue	174 182 335	153 305 414	17 727 389		
EXPENDITURE					
Employee related costs	67 681 233	67 869 672	-188 439	0	-
Remuneration Councillors	6 235 410	7 051 071	-815 661	-12	Actual remuneration determined by the Minister was less than budgeted for.
Bad debts written-off	3 149 532	0	0	100	Writing off accumulated interest on Mothlakeng sewer (Randfontein Municipality)
Collection costs	680 561	960 000	-279 439	-29	
Depreciation	4 366 661	859 366	3 507 295	408	
Repairs & Maintenance	8 521 213	9 290 046	-768 833	-8	Savings with regard to maintenace of furniture and equipment
Interest on external borrowings	5 689 237	7 581 883	-1 892 646	-25	Savings as a result of a External loan which was only taken up in May 2008 instead of in the beginning of the financial year.
Bulk purchases	36 533 840	36 014 776	519 064	1	Increase in bulk purchase of water
Contracted services	4 116 128	4 510 770	-394 642	-9	
Grants & Subsidies paid	19 145	35 062	-15 917	-45	
General expenses- other	27 548 586	26 446 592	1 101 994	4	Increased in legal cost expenditure
Provision for Bad Debts, leave pay	7 611 036	2 670 000	4 941 036	185	
Less; Departmental charges	-6 014 119	-15 251 483			
Loss on disposal of PPP	0	0	0		
Total expenditure	166 138 463	148 037 755	18 100 708		
NET SURPLUS/(DEFICIT)	8 043 872	5 267 659	-373 319		

Westonaria Local Municipality

APPENDIX E(2)

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY,PLANT & EQUIPMENT) FOR THE YEAR ENDED 30 June 2008

	Actual 2008 R	Budget 2008 R	Variance 2008 R	Variance 2008 %	Explanation of significant Variances (Greater than R500 000)
Land and Buildings					
Land and Buildings	136 762	200 000	63 239	32%	-
Infrastructure					
Drains	2 491 137	2 000 000	-491 137		
Roads	2 912 874	2 500 000	-412 874	-17%	Projects in progress but not completed at year end.
Sewerage mains & Purification	1 658 914	2 000 000	341 086	17%	-
Electricity mains	268 194	300 000	31 806	11%	-
Electricity Peak control equipment	0	0	0		
Water mains & Purification	4 200 659	3 000 000	-1 200 659	-40%	-
Reservoirs water	0	0	0		
Water meters	6 052 800	6 100 000	47 200	1%	
Pedestrian facilities	331 203	400 000	68 797	17%	-
Airports	0	0	0		
Security Measures	0	100 000	100 000	100%	-
Community assets					
Parks & Gardens	1 552 182	3 200 000	1 647 818	51%	Projects in progress but not completed at year end.
Libraries	0	0	0		
Recreation Grounds	1 569 560	1 650 000	80 440	5%	-
Civic Buildings	539 466	500 000	-39 466	-8%	-
Clinics	0	200 000	200 000	100%	-
Cemeteries	1 557 999	1 600 000	42 001	3%	-
Other	0	600 000	600 000	100%	-
Old age Homes	0	0	0		
Heritage Assets					
Historical buildings	0	0	0		
Paintings & Art Galleries	0	0	0		
Housing Rental Stock					
Housing Schemes	0	0	0		
Other Assets					
Landfill sites	9 260 701	9 300 000	39 299	0%	-
Office Equipment	443 703	600 000	156 297	26%	-
Furniture & Fittings	244 725	350 000	105 275	30%	-
Bins & Containers	126 096	150 000	23 904	16%	-
Emergency equipment	0	0	0		
Motor Vehicles	601 544	200 000	-401 544	-201%	
Fire engines	0	0	0		
Other transport	0	0	0		
Computer equipment	1 296 952	3 536 946	2 239 994		Projects in progress but not completed at year end.
Plant & Equipment	96 751	100 000	3 249	3%	-
Inventory Items					
Small assets	11 390	50 000	38 610	77%	-
	35 353 611	38 636 946	3 283 335	8%	